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Livestock, Dairy, and Poultry Outlook

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High Feed Prices Curb Production in 2012

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Tables will be released
on Aug 30, 2011

The next newsletter
release is Sep 16, 2011

Approved by the
World Agricultural
Outlook Board

Beef/Cattle: Drought continues to motivate sales of cattle in Southern auctions and placements in feedlots. These sales and placements are occurring despite high grain prices.

Pork/Hogs: Accelerating pork exports are expected to maintain hog and pork prices at or near record highs for the balance of 2011.

Poultry: Broiler meat production increased strongly during the first 6 months of 2011 (up 4.8 percent), growth in the first quarter was 6.4 percent higher than the previous year and second-quarter production was 3.3 percent higher than a year earlier. In the second half of 2011, broiler meat production is expected to decline as lower bird numbers offset an expected increase in average bird weights. Higher feed costs and slow growth in the domestic economy are expected to combine to reduce production. Turkey meat production is expected to decline in the second half of 2011 as the number of birds available for slaughter decreases. Poult placements on a year-over-year basis have been lower for the last 3 months.

Dairy: Milk production will continue to rise both this year and next. Fats basis exports will rise in 2011 from last year but soften slightly in 2012. Skims-solids export will show slight increases both this year and next. Higher milk production and slower growth in exports will pressure prices in 2012.

Special Article: USDA's Cooperative Inspection Program- Interstate Shipment of State-Inspected Meat and Poultry: How it Affects Marketing Constraints for Smaller State-Inspected Slaughter Plants and Producers

Drought Weighing in on Cow Slaughter

July 1 beef cow inventories have been declining since reaching a cyclical peak of 36.1 million cows on July 1, 1995. Since July 1995, there have only been 2 years in which beef-cow inventories increased (143,000 head from 2004 to 2005 and 28,000 head from 2005 to 2006) from prior-year inventories. On July 1, 2011, beef cow inventories were down another 1 percent year-over-year. Beef replacement heifer inventories were down by 5 percent. The lower year-over-year beef cow inventory and the 5-percent decline in beef replacement heifer inventories imply very little potential for beef cow herd expansion before 2014.

Once it is decided to retain a heifer for breeding, she must be allowed to grow to a sufficient size for breeding. After she is bred, gestation requires another 9 months before she can calve. Only after a heifer has a calf is she added to either the January 1 or July 1 beef cow inventory, depending on whether she was bred to calve when she would be about 24 months of age. In addition to a long biological cycle, much of what occurs in cow-calf production is highly seasonal.

While dairy cow inventories have been trending lower during the same 1995-to-present period, they have been more variable as they responded to fluctuations in milk prices and Cooperatives Working Together whole-herd buyouts. July 1, 2011 milk cow inventories were about 1 percent above 2010.

Calf crops have also declined steadily since 1995, and the 2011 calf crop is now projected to be 1 percent below 2010's calf crop. Although there are exceptions, and because most steers and heifers are placed on feed at about 12 to 15 months of age, one year's calf crop translates roughly into the next year's placements of steers and heifers on feed. Thus, 2011's lower calf crop implies a reduction of placements of feeder calves in 2012.

As feedlot inventories decline and beef cow slaughter diminishes, beef production will likely begin to decline during the last half of 2011. The impacts of smaller calf crops this year and likely next year imply a smaller pool of feeder cattle for placement in feedlots and subsequently tighter supplies of fed cattle.

Cattle prices at all levels reached record highs during the first half of 2011. Despite these record prices and their expected high levels through 2012, drought impacts, high feed and energy prices, macroeconomic uncertainty, and increased equity requirements for cattle loans have dampened enthusiasm for cow-herd expansion.

Heavy Placements of Cattle on Feed Portend Future Beef Production

During the first half of 2011, net placements were 2 percent above placements for the first half of 2010 as drought has pushed cattle off pastures in many parts of the country, and most of these feeder cattle have gone into feedlots. This increase occurred despite relatively high corn prices and almost 4 percent fewer feeder cattle outside feedlots. With almost 4 percent more cattle in feedlots of 1,000 head or more capacity, marketings will remain above year-earlier through the third quarter. However, as marketings begin to decline in the fourth quarter, beef production will begin to decline.

While the direction prices will take over the next few months is uncertain due to heavy marketings of fed cattle, retail beef prices are likely to increase over the next several years as beef cow inventories are rebuilt and more heifers are kept for herd building and diverted from placement in feedlots. How high retail prices go will depend on the economic recovery, retail prices of pork and poultry, how rapidly exports increase, and how rapidly beef cow inventories are replenished.

Exports Driving Prices Across the Pork Supply/Demand Space

Second-half hog and pork prices are expected to remain record-high, supported in large part by accelerating pork exports. USDA raised its forecasts for both third- and fourth-quarter 2011 pork exports, with shipments to Asia and North America expected to be particularly robust. Third-quarter exports are expected to be 1.2 billion pounds, more than 26 percent higher than a year earlier. Fourth-quarter exports are forecast to be 1.3 billion pounds, more than 13 percent above the same period last year. In total, U.S. pork exports will likely exceed 5 billion pounds, both this year, at just over 5 billion pounds, and in 2012, at 5.1 billion pounds.

Several factors are accelerating foreign demand for U.S. pork products, but the continued low exchange rate of the U.S. dollar is probably foremost. The low-valued dollar translates into well-priced U.S. pork products in foreign markets, particularly when compared with pork produced by international competitors such as Denmark and Canada. Additionally, pork product deficits in South Korea created by recent foot and mouth disease outbreaks continue to drive South Korean demand, while it also appears that Chinese buyers have contracted for late-summer/fall shipments of U.S. pork as part of an effort to stem Chinese food price inflation.

While second-half U.S. commercial pork production is anticipated to be slightly higher than a year ago, strong export demand is tightening domestic pork supplies, contributing to record prices for hogs and for prices of wholesale and retail pork. In fact, it is likely that 22.1 percent of U.S. pork production will be exported this year, an impressive statistic considering that in 2000, 6.8 percent of U.S. commercial pork production was exported. The flip side of strong exports this year is lower available pork per capita. This year, retail weight per capita pork disappearance is expected to be 45.9 pounds, down from 47.7 pounds last year and from 51.3 pounds in 2000.

Second-quarter 2011 prices of live equivalent 51-52 percent lean hogs were record-high for that quarter, at \$68.80 per cwt. Third-quarter hog prices are expected to average \$69-\$70 per cwt, and in the fourth quarter, \$60-\$64. If realized, these prices would establish record highs for each quarter. Strong pork demand is also being reflected in pork wholesale prices. The USDA Wholesale Carcass Cutout averaged \$99.27 in July, up 18 percent from July of last year and almost 61 percent greater than in July 2009.

U.S. consumers are paying higher retail pork prices for lower domestic supplies. July retail pork prices were \$3.481 per pound, down just slightly from the all-time record-high retail price of 3.484 in June, and almost 9.3 percent higher than in July 2010. Retail prices are expected to remain in the neighborhood of the mid-\$3.40s for the balance of 2010, with next year expected to average in the low-\$3.40s per pound.

Broiler Meat Production Up 5 Percent in June

Broiler meat production in June totaled 3.3 billion pounds, up 4.5 percent from the previous year. The June production increase pushed total production for second-quarter 2011 to 9.5 billion pounds, 3.3 percent higher than in second-quarter 2010. This is the fourth consecutive quarter of 3 percent or greater year-over-year increases in broiler meat production. In first-half 2011, broiler meat production was 18.8 billion pounds, 4.8 percent higher than a year earlier. This year-over-year growth in broiler meat production is expected to halt in third-quarter 2011, with production estimated at 9.4 billion pounds, 1.3 percent lower than in third-quarter 2010. Lower production is expected to continue in the fourth quarter, with production in the second half of 2011 expected to total 18.6 billion pounds, a decrease of 2 percent from the same period in 2010.

Over the first half of 2011, the number of broilers slaughtered was 4.3 billion, an increase of 2 percent from a year earlier. The other factor in broiler meat production growth during the first half of 2011 has been higher average live weights at slaughter. During the first 6 months of 2011, the average live weight at slaughter was 5.79 pounds, up 2.4 percent from first-half 2010. In second-half 2011, the number of broilers slaughtered is expected to be down significantly from the previous year, but average bird weights at slaughter are expected to remain well above the previous year throughout the second half of 2011.

The number of chicks being placed weekly for growout has averaged approximately 165 million during the 5-week period July 9 to August 6. This is down over 4 percent from the same weekly period in 2010. Weekly placements of broiler eggs in incubators point to continued declines in the number of chicks available for growout compared with the previous year. Over the last 4 reported weeks, the number of eggs being placed in incubators has averaged almost 6 percent lower than during the same period a year earlier.

Even with relatively strong exports, the strong increases in production and a weak domestic economy have led to an increase in broiler meat stocks. Cold storage holdings at the end of the second quarter totaled 710 million pounds, 12 percent higher than a year earlier. One factor in the increase in cold storage holdings was higher stocks of breast meat products. Breast meat in cold storage was estimated at 155 million pounds, 47 percent higher than the previous year. Stock changes for leg meat products were mixed, with holdings of drumsticks and leg quarters up 39 and 14 percent. Partially offsetting these increases were declines in the cold storage holdings for legs, thighs, and thigh meat.

With the generally weak economy and the strong growth in production in second-quarter 2011, the estimates for ending stocks for the third and fourth quarters of 2011 were increased. The estimate for third-quarter 2011 was raised to 685 million pounds and the estimate for fourth-quarter 2011 was increased to 700 million pounds.

In 2011, wholesale prices for broiler products have generally declined compared with a year earlier. Prices for whole birds averaged 82.6 cents per pound in the second quarter of 2011 and are forecast to average 81 to 83 cents per pound in the third quarter. Even with falling production in the second half of 2011, whole bird prices are not expected to strengthen much. The forecast for fourth-quarter 2011 is only 81 to 85 cents per pound. In 2012 as lower production begins to impact stock levels, broiler prices are expected to experience some upward price pressure. However, any upward pressure is expected to also depend on a gradual strengthening of economic conditions.

Turkey Production Rises 6 Percent in First-Half 2011

Turkey meat production during the first 6 months of 2011 was 2.9 billion pounds, 5.5 percent higher than in the same period in 2010. The increase in turkey meat production was due to a higher number of birds slaughtered, up 4.6 percent, along with an increase in live weights at slaughter. Over the first 6 months of 2011, live turkey weights averaged 30.1 pounds, up 1.1 percent from the same period in 2010.

The forecast for turkey meat production in the second half of 2011 is 2.9 billion pounds, down slightly (less than 1 percent) from the same period in 2010. The decrease in turkey meat production is expected to come chiefly from a smaller number of birds slaughtered, as average live weights at slaughter are expected to continue slightly higher than those of the previous year.

Over the first 6 months of 2011, the number of turkey poults placed for growout totaled 139 million, up less than 1 percent from the same period in 2010. However, on a year-over-year basis, poult placements have been lower than the previous year over the last 3 months.

After declining on a year-over-year basis for the previous seven quarters, turkey stocks at the end of second-quarter 2011 were 510 million pounds, marginally higher than the previous year. Although turkey meat production is expected to be lower in the second half of 2011 compared with the previous year, turkey stocks are expected to remain above their year-earlier levels through the end of the year.

At the end of second-quarter 2011, whole birds stocks totaled 271 million pounds, down 3 percent, and stocks of breast meat were 72 million pounds, 8 percent lower than the previous year. However, any explanation of changes in turkey stocks is complicated by the fact that 148 million pounds of the cold storage holdings are in categories labeled “other” and “unclassified.”

Stocks of whole turkeys are still lower than the previous year, and the number of birds slaughtered in the second half of 2011 is expected to be lower than the previous year. Both these factors point to continued strength in prices for whole birds. Prices for whole hens in second-quarter 2011 were \$1.00 per pound, and the price for third-quarter 2011 is forecast at \$1.04 to \$1.08 per pound. Prices are expected to strengthen even further in the fourth quarter to \$1.06 to \$1.12 per pound, slightly higher than the previous year.

Egg Production Rises in First-Half 2011

In the first half of 2011, production of table eggs was 3.3 billion dozen, up about 1 percent from first-half 2010. However, production of hatching eggs fell by 0.7 percent compared with the previous year. The decrease in hatching egg production was chiefly the result of the gradual decline in broiler chick production for growout. Hatching egg production in the first half of 2011 was 532 million dozen.

Production of table eggs in the second half of 2011 is expected to be about even with the previous year, and production is expected to be lower on a year-over-year basis in the first two quarters of 2012. Production of hatching eggs, especially those from meat-type birds, is expected to decline in the second half of 2011 as broiler chick production continues to be below the previous year.

Even with higher table egg production in second-quarter 2011, prices for eggs remained strong and averaged almost \$1.07 per dozen, up 24 cents from second-quarter 2010. With little or no growth expected in the second half of 2011, prices are expected to be above the previous year in third-quarter 2011 at \$1.04 to \$1.08 per dozen. However, with the weak economy, egg prices in fourth-quarter 2011 are expected to be lower than the previous year at \$1.12 to \$1.18 per dozen. The weak economy is expected to provide less of a seasonal boost in prices than in other years.

The U.S. Dairy Cow Herd Continues To Expand, but Output per Cow Projections Have Decreased; More Milk and Slowing Demand Will Likely Weaken Prices Across the Board in 2012

Corn prices continue their upward trajectory, with August forecasts for 2011/12 raised from July to \$6.20 to \$7.20 per bushel. Soybean meal prices were raised as well, to \$355 to \$385 per ton for 2011/12. Alfalfa prices are expected to remain high into 2012. The most recent *Cattle* report estimated that producers were retaining 4 percent more replacement heifers than last year. The retention, combined with a 1 percent higher dairy cow inventory on July 1, led to an increase in the dairy herd forecast for both 2011 and 2012. The U.S. dairy cow herd is forecast at 9.195 million head in 2011 and 9.190 million head in 2012. Milk per cow is forecast to increase fractionally in 2011 to 21,275 pounds as higher feed prices and hot weather take a toll on output. Next year, output per cow is forecast to increase to 21,630. Milk production is projected at 195.6 billion pounds in 2011, down from July's estimate due to lower output per cow. Production in 2012 is forecast at 198.8 billion pounds, reflecting a larger expected herd size. The larger herd size is offset by a lower forecast of milk per cow as feed prices will keep growth in output per cow below trend.

Milk equivalent imports were reduced in August from July to 3.2 billion pounds on a fats basis and 4.8 billion pounds on a skims-solids basis. Lower expected cheese imports are the main cause. Fats basis exports were raised from July to 9.0 billion pounds in 2011 based on strength in butterfat exports. Fats basis exports for 2012 remain unchanged from last month at 8.7 billion pounds. Exports on a skims-solids basis for 2011 were raised slightly from July to 32.2 billion pounds and to 32.3 billion pounds for 2012. Increases in milk production in Oceania and weakening international demand will impact exports.

Prices estimates for cheese, butter, and whey were increased from July based on current price strength. Nonfat dry milk (NDM) prices were lowered from July based on weaker international prices. Cheese prices are expected to average \$1.855 to \$1.875 per pound in 2011 and slip to \$1.670 to \$1.770 per pound in 2012. Butter prices are projected to average \$1.955 to \$1.995 per pound this year and fall to \$1.615 to \$1.745 per pound in 2012. NDM prices are forecast to average \$1.500 to \$1.520 per pound in 2011 and fall to \$1.370 to \$1.440 per pound next year. Whey prices are expected to average 48.0 to 50.0 cents per pound in 2011 and decline to 41.1 to 44.0 per pound in 2012. Class III prices were raised from July to \$18.40 to \$18.60 per cwt based on higher expected cheese prices. The Class III price is forecast at \$16.10 to 17.10 per cwt in 2012, a year-over-year decline from this year but a slight increase from the July forecast. The 2011 Class IV price forecast was lowered from July to \$19.05 to \$19.35 per cwt based on lower NDM prices. The 2012 Class IV forecast was also lowered from July's forecast to \$16.45 to \$17.55 per cwt. The all milk price projection is \$20.30 to \$20.50 per cwt, an increase from July. Similarly, the all milk price forecast was raised to \$17.80 to \$18.80 per cwt for August, but this represents a substantial year-over-year decline from 2011.

USDA's Cooperative Inspection Program- Interstate Shipment of State-Inspected Meat and Poultry: How it Affects Marketing Constraints for Smaller State-Inspected Slaughter Plants and Producers

Rachel J. Johnson and Daniel L. Marti

In April 2011, the USDA's Food Safety and Inspection Service (FSIS) issued the final rule to implement a new Cooperative Interstate Shipment Program to allow for the interstate shipment of State-inspected meat and poultry products. This cooperative inspection program, which went into effect July 1, 2011, is intended to expand the market for smaller State-inspected slaughter and processing facilities and should also provide new marketing opportunities to livestock and poultry producers who have animals slaughtered at the participating State-inspected plants. However, only a small number of States are currently interested in participating in the program, and applying for Federal-inspection would serve the same purpose.

The issue of interstate shipment of State-inspected meat and poultry has recently become more important as a result of consumer interest in "niche"¹ livestock products and increased direct-to-consumer sales at the local (or regional) level. This is coupled with a somewhat strained slaughter capacity at the small-scale or local level. As a response to increased consumer demand for products other than conventionally produced meat beef, the marketing of livestock and meat products has rapidly evolved in recent years. Marketing products that are "grass-fed," "natural," certified organic, "free range," or simply "locally sourced" are examples of this growing trend. Small livestock producers face a wide range of opportunities to produce and market their products while also supplying specific segments of consumer demand. Consumers have expressed growing interest in how meat is produced and how meat production practices affect animal welfare, the environment, and the nutritive value of the products. Additionally, there is growing consumer interest in supporting "local" farmers. Some consumers are willing to pay premium prices for these product attributes, real or perceived, making the production of such alternatively-produced or marketed meat and livestock products an economically viable enterprise. This has provided some smaller livestock producers an opportune environment to find a niche market. However, smaller producers operating in such markets may also face logistical, economic, and regulatory challenges in the slaughtering and marketing of their product.

Lack of local slaughter capacity for smaller producers has been one such limitation cited in terms of these producers' ability to expand or slaughter the animals they have already raised. According to the USDA National Agricultural Statistics Service (NASS) annual Livestock Slaughter report, as of January 1, 2011, there were 841 Federally inspected (FI) slaughter plants in the United States. This

¹ Some of the nuances in such "niche", or alternative production systems, including "grass-fed," grass-finished, "natural," and certified organic livestock production, are explored in *Livestock, Dairy, & Poultry Outlook* June and July 2010 special articles, "Grass and Grain Beef Production Systems" and "Alternative Beef Production Systems—What's In A Name?" available at : <http://www.ers.usda.gov/publications/ldp/2010/06Jun/ldpm192.pdf> <http://www.ers.usda.gov/Publications/ldp/2010/07Jul/ldpm193.pdf/>.

number has decreased from 910 plants in 2001. Of the FI slaughter plants operating in 2010, 632 of these slaughtered at least one head of cattle; 611 slaughtered hogs; and 506 slaughtered sheep or lambs. The largest 14, 12, and 4 plants also slaughter the majority (greater than 55 percent) of each respective animal species; indicative of some of the consolidation that has taken place in the slaughter industry (USDA, NASS 2011).

Large FI slaughter plants have not only become fewer and more difficult to access for producers in remote or localized locations, but large FI plants often cannot accommodate smaller producers, given inconsistencies in size and number of animals supplied by smaller producers, in addition to issues related to biosecurity. Larger feedlots, for example, are more concerned with limiting contact with outside sources (people or horses) for biosecurity reasons (USDA-APHIS, 1999). The inaccessibility of many large slaughter facilities to small producers is particularly problematic for those producers hoping to accommodate the expanding demand for locally raised and/or alternatively produced meat products. Due to the relative scarcity and/or contractual arrangement issues smaller producers often face with larger Federally inspected plants, many individual producers marketing their meat via “niche” marketing arrangements may choose to slaughter animals at State-inspected facilities if the plant is favorably located. Until recently, meat from animals slaughtered at State-inspected facilities was limited to intrastate commerce. This limited the marketing outlets available to the State-inspected slaughter facilities and producers slaughtering animals at those facilities².

Under the Cooperative Interstate Shipment Program, participating slaughter establishments gain the option to ship meat and poultry products across State lines if they adhere to Federal food safety standards. State-inspected establishments that volunteer and are then selected for this program are required to comply with all Federal standards under the Federal Meat Inspection Act (FMIA) and the Poultry Products Inspection Act (PPIA). Since the program is directed toward small slaughter establishments, only State-inspected facilities with 25 or fewer employees on average are eligible to participate. These facilities are still inspected by designated State personnel that have been trained in the enforcement of the FMIA, PPIA, Humane Methods of Slaughter Act (HMSA), Hazard Analysis and Critical Control Points (HACCP). Meat and poultry products inspected under this program would also bear the official USDA mark of Federal inspection. FSIS will provide oversight and enforcement of the program³. The law requires that FSIS reimburse the participating States for at least 60 percent of their eligible costs related to inspection.

To participate, the State must first have a cooperative State meat or poultry (MPI) inspection program. There are 27 States that administer cooperative State MPI

² Producers participating in specific “niche” production programs, in which production standards are regulated by a larger company (most commonly “natural”), often sell the live animal to the entity for a slightly higher premium. A larger company is more likely to have an arrangement with a Federally inspected facility, in which the company, in turn, can market the meat across State lines, and to a larger pool of consumers, utilizing options such as internet or mail orders, thus allowing for economies of scale.

³ The final rule for the Interstate Shipment of State-Inspected Meat and Poultry Products program can be accessed at:

http://www.fsis.usda.gov/regulations_&_policies/Interim_&_Final_Rules/index.asp/.

programs⁴. Four of these States—North Dakota, Ohio, Wisconsin, and Vermont—were identified in the final rule as interested in participating in the cooperative interstate shipment program. There are 255 State-inspected meat and poultry plants in these four States, or more than 20 percent of the total number of State-inspected plants in the United States, in 2011. State-inspected plants participating in the cooperative interstate shipment program that are in full compliance with the program may exit the program and revert again to State inspection, but re-entry into the program requires a waiting period of 1 year. Plants that voluntarily leave the cooperative interstate shipment program and become interested in participating in the program again must reapply for selection into the program.

Such a cooperative program will expand the marketing options available to producers who use the participating State-inspected facilities. However, States in which there is no State inspection program, or establishments in States that do not adopt this program, still have a viable option for selling products across State lines, in that it may be just as practical for slaughter establishments to apply for Federal inspection. Given that the qualified State-inspected facilities are eligible to participate only if they employ 25 or fewer employees on average, applying for Federal inspection may be more pragmatic if the facility intends to expand its operation at any time in the near future. All State-inspected facilities are required to operate in a manner that is “at least equal to” the Federal standard, and State programs seeking to operate under the proposed rule must provide the same inspection services as the Federal Government, using software, forms, and laboratory techniques that are the same as those used under the Federal program (USDA-FSIS, 2011).

The cooperative Interstate Shipment Program will alleviate some of the slaughter constraints by expanding the potential market for small processors and providing small producers the opportunity to market their product to a larger interstate and international consumer base. However, a greater number of small slaughter facilities applying for Federal inspection may serve much the same purpose.

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⁴ A list of States with inspection programs can be accessed here: http://www.fsis.usda.gov/regulations_&_policies/Listing_of_Participating_States/index.asp/.

Contacts and Links

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Data Products

Meat Price Spreads, <http://www.ers.usda.gov/Data/MeatPriceSpreads/>, provides monthly average price values, and the differences among those values, at the farm, wholesale, and retail stages of the production and marketing chain for selected cuts of beef, pork, and broilers. In addition, retail prices are provided for beef and pork cuts, turkey, whole chickens, eggs, and dairy products.

Livestock and Meat Trade Data, <http://www.ers.usda.gov/Data/MeatTrade/>, contains monthly and annual data for the past 1-2 years for imports and exports of live cattle and hogs, beef and veal, lamb and mutton, pork, broiler meat, turkey meat, and shell eggs. The tables report physical quantities, not dollar values or unit prices. Breakdowns by major trading countries are included.

Related Websites

Livestock, Dairy, and Poultry Outlook, <http://www.ers.usda.gov/Publications/ldp/>
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U.S. red meat and poultry forecasts

	2004	2005	2006	2007 1/												2008												2009												2010												2011												2012											
	Annual	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	III	IV	Annual	I	II	Annual																																			
Production, million lb																																																																											
Beef	24,548	24,683	6,082	6,724	6,834	6,513	26,153	6,237	6,649	6,802	6,733	26,421	6,372	6,899	6,908	6,382	26,561	6,248	6,602	6,689	6,424	25,963	6,251	6,549	6,768	6,741	26,304	6,411	6,570	6,740	6,405	26,126	5,935	6,360	25,005																																								
Pork	20,511	20,685	5,335	5,008	5,087	5,625	21,055	5,396	5,128	5,256	6,163	21,943	6,024	5,593	5,632	6,098	23,347	5,811	5,488	5,698	5,996	22,993	5,607	5,301	5,401	6,126	22,437	5,720	5,375	6,740	6,405	22,680	5,765	5,445	23,050																																								
Lamb and mutton	195	187	49	47	42	47	185	49	44	42	48	183	46	43	42	43	174	42	42	42	42	45	171	43	40	39	42	164	36	40	37	39	152	40	38	154																																							
Broilers	34,063	35,365	8,814	8,980	8,870	8,835	35,500	8,625	9,085	9,131	9,285	36,126	9,145	9,439	9,457	8,865	36,906	8,573	8,939	9,172	8,827	35,511	8,732	9,198	9,496	9,484	36,911	9,291	9,400	9,425	9,275	37,391	9,250	9,400	37,810																																								
Turkeys	5,454	5,504	1,351	1,435	1,419	1,476	5,682	1,413	1,482	1,488	1,575	5,958	1,536	1,560	1,568	1,582	6,246	1,385	1,420	1,417	1,441	5,663	1,339	1,383	1,415	1,506	5,643	1,402	1,470	1,420	1,475	5,767	1,410	1,460	5,815																																								
Total red meat & poultry	85,442	87,097	21,792	22,362	22,413	22,656	89,224	21,874	22,552	22,876	23,962	91,264	23,292	23,717	23,791	23,137	93,937	22,148	22,561	23,091	22,819	90,618	22,124	22,628	23,291	24,059	92,097	23,014	23,016	23,310	23,422	92,762	22,557	22,863	92,475																																								
Table eggs, mil. doz.	6,365	6,413	1,617	1,617	1,632	1,656	6,522	1,598	1,593	1,602	1,642	6,435	1,587	1,577	1,599	1,640	6,403	1,598	1,604	1,617	1,666	6,485	1,611	1,627	1,645	1,667	6,550	1,627	1,640	1,655	1,680	6,602	1,605	1,620	6,540																																								
Per capita disappearance, retail lb 2/																																																																											
Beef	66.1	65.6	15.8	16.9	16.9	16.3	65.8	15.9	16.6	16.4	16.2	65.2	15.6	16.3	15.8	15.1	62.8	15.3	15.7	15.6	14.7	61.2	14.6	15.1	15.3	14.6	59.6	14.1	14.5	15.0	14.2	57.9	13.2	14.1	55.6																																								
Pork	51.4	50.0	12.4	11.9	11.9	13.1	49.4	12.3	12.2	12.3	14.0	50.8	12.6	11.6	12.0	13.3	49.5	12.5	12.0	12.5	13.0	50.1	11.8	11.4	11.7	12.8	47.7	11.4	11.0	11.5	12.5	46.3	11.4	11.2	46.7																																								
Lamb and mutton	1.1	1.1	0.3	0.3	0.2	0.3	1.1	0.3	0.3	0.3	0.3	1.1	0.3	0.3	0.2	0.3	1.0	0.2	0.2	0.2	0.3	1.0	0.2	0.2	0.2	0.2	0.9	0.2	0.2	0.2	0.2	0.9	0.2	0.2	0.9																																								
Broilers	84.4	85.8	21.7	22.1	21.9	20.9	86.5	21.2	21.6	21.4	21.2	85.4	21.3	21.4	21.1	19.7	83.5	19.3	20.1	20.6	19.6	79.6	20.0	20.5	21.4	20.3	82.2	21.5	21.2	20.6	20.6	84.5	20.7	20.9	83.7																																								
Turkeys	17.1	16.7	3.5	3.9	4.3	5.2	16.9	3.8	4.1	4.2	5.5	17.5	4.0	4.1	4.3	5.3	17.6	3.7	3.9	4.0	5.3	16.9	3.5	3.6	4.1	5.1	16.4	3.5	3.7	4.0	5.1	16.2	3.6	3.7	16.3																																								
Total red meat & poultry	221.6	221.0	54.1	55.5	55.6	56.1	221.3	53.9	55.1	54.9	57.6	221.6	54.1	54.2	53.8	54.0	216.1	51.4	52.4	53.4	53.3	210.5	50.6	51.2	53.2	53.6	208.6	51.2	51.1	52.3	53.0	207.6	49.5	50.6	204.9																																								
Eggs, number	257.3	255.8	64.1	63.7	63.9	64.7	257.8	62.2	61.7	62.4	63.8	250.1	61.8	61.3	62.0	63.8	248.9	62.0	61.5	61.4	62.9	247.7	61.4	61.3	62.0	62.7	247.4	60.9	61.5	62.2	62.6	247.3	60.5	60.8	244.9																																								
Market prices																																																																											
Choice steers, 5-area Direct, \$/cwt	84.75	87.28	89.24	80.39	85.40	86.61	85.41	90.61	93.45	91.36	91.85	91.82	89.59	92.82	98.45	88.22	92.27	84.48	84.48	83.05	83.29	83.25	89.44	96.33	95.47	100.28	95.38	110.07	112.79	111-115	110-118	111-114	110-120	112-122	111-120																																								
Feeder steers, Ok City, \$/cwt	104.76	110.94	106.23	104.08	115.17	103.22	107.18	99.53	108.87	115.64	108.88	108.23	99.88	106.60	110.81	94.62	102.98	92.84	98.64	99.40	93.67	96.14	98.73	112.65	112.29	111	108.71	127.20	131.09	123-128	121-129	125-129	120-130	124-134	121-130																																								
Cutter Cows, National L.E., \$/cwt	52.35	54.36	48.89	47.79	49.28	44.29	47.56	51.04	53.96	54.07	49.40	52.12	53.88	57.30	61.78	46.70	54.92	45.42	48.57	46.44	43.56	46.00	51.79	58.79	58.90	54.93	56.1	68.66	74.88	70-74	70-74	71-73	71-75	73-78	71-6																																								
Choice slaughter lambs, San Angelo, \$/cwt	96.69	97.76	77.03	66.56	81.10	84.53	77.31	82.59	82.23	87.33	87.55	84.93	86.23	79.62	88.83	88.95	85.91	90.14	91.44	88.35	90.47	90.10	103.87	106.17	115.57	141.62	116.81	174.66	157.99	147-152	152-160	158-163	145-155	140-150	143-152																																								
Barrows & gilts, N. base, 1c, \$/cwt	52.51	50.05	42.63	48.45	51.83	46.13	47.26	46.04	52.55	50.33	39.43	47.09	39.64	52.51	57.27	41.92	47.84	42.11	42.74	38.90	41.20	41.24	50.41	59.60	60.13	50.11	55.06	59.94	68.8	67-69	58-62	63-65	60-66	62-67	62-67																																								
Broilers, 12 City, cents/lb	74.10	70.80	62.7	61.0	67.8	65.9	64.4	75.00	80.30	79.20	71.10	76.40	80.60	80.60	79.40	79.70	79.70	81.90	76.80	72.10	77.60	82.2	85	84.5	80	82.9	77.9	82.6	82-85	82-88	81-84	82-88	83-89	82-89																																									
Turkeys, Eastern, cents/lb	69.70	73.40	67.3	71.3	79.4	89.8	77.0	69.70	77.90	89.90	90.80	82.10	77.40	88.90	96.50	87.30	87.50	73.80	79.10	81.40	83.80	79.50	75.6	84.4	97.9	103.7	90.4	90.2	99.9	102-106	103-111	99-102	86-94	93-101	93-101																																								
Eggs, New York, cents/doz.	82.20	65.50	71.4	62.7	64.0	89.0	71.8	105.3	92.0	119.1	141.0	114.4	158.8	117.30	114.50	122.60	128.30	109.70	89.70	94.80	117.70	103.00	126	82.8	93.1	123.2	106.3	105.8	106.6	99-103	109-119	105-108	103-111	91-99	100-108																																								
U.S. trade, million lb																																																																											
Beef & veal exports	460	697	215	315	307	308	1,145	269	363	424	375	1,431	360	471	609	448	1,888	384	471	496	518	1,869	478	585	590	646	2,299	633	680	690	610	2,613	630	670	2,515																																								
Beef & veal imports	3,679	3,599	843	790	730	722	3,085	770	884	774	624	3,052	637	661	584	655	2,537	704	751	623	550	2,628	573	690	598	436	2,297	461	570	595	555	2,181	600	670	2,475																																								
Lamb and mutton imports	181	180	53	44	41	52	190	56	44	44	59	202	52	48	38	47	185	51	46	28	46	171	47	46	30	38	161	50	44	33	43	170	47	45	178																																								
Pork exports	2,181	2,666	767	763	654	811	2,995	792	685	703	959	3,138	1,106	1,387	1,126	1,049	4,668	1,033	952	1,016	1,125	4,126	1,047	1,081	952	1,147	4,227	1,247	1,265	1,135	1,225	4,872	1,250	1,265	5,000																																								
Pork imports	1,099	1,024	259	237	239	254	989	239	256	240	232	968	217	205	191	218	831	205	196	210	223	834	199	204	237	219	859	201	220	235	240	896	200	220	895																																								
Broiler exports	4,783	5,203	1,270	1,297	1,234	1,404	5,205	1,275	1,393	1,493	1,610	5,771	1,507	1,787	1,912	1,756	6,962	1,753	1,655	1,719	1,708	6,835	1,488	1,683	1,648	1,954	6,773	1,530	1,600	1,650	1,700	6,480	1,600	1,650	6,700																																								
Turkey exports	442	570	119	125	152	150	547	124	135	148	146	553	148	160	186	186	182	676	117	122	152	144	535	114	136	159	174	583	160	160	155	160	635	150	150	620																																							
Live swine exports (thousand head)	8,506	8,191	2,133	2,088	2,204	2,338	8,763	2,302	2,370	2,464	2,869	10,055	2,915	2,149	2,201	2,083	9,348	1,761	1,614	1,518	1,472	6,365	1,446	1,408	1,479	1,416	5,749	1,452	1,420	1,500	1,470	5,842	1,460	1,440	5,890																																								

Dairy Forecasts

	2010				2011					2012		
	II	III	IV	Annual	I	II	III	IV	Annual	I	II	Annual
Milk cows (thous.)	9,119	9,126	9,130	9,117	9,165	9,198	9,210	9,200	9,195	9,200	9,200	9,190
Milk per cow (pounds)	5,462	5,267	5,208	21,149	5,283	5,484	5,270	5,240	21,175	5,400	5,550	21,630
Milk production (bil. pounds)	49.8	48.1	47.5	192.8	48.4	50.4	48.5	48.2	195.6	49.7	51.1	198.8
Farm use	0.2	0.3	0.3	1.0	0.2	0.2	0.2	0.2	1.0	0.2	0.2	1.0
Milk marketings	49.6	47.8	47.3	191.8	48.2	50.2	48.3	48.0	194.6	49.4	50.8	197.8
Milkfat (bil. pounds milk equiv.)												
Milk marketings	49.6	47.8	47.3	191.8	48.2	50.2	48.3	48.0	194.6	49.4	50.8	197.8
Beginning commercial stocks	13.1	13.5	12.2	11.3	10.9	12.1	13.4	12.8	10.9	11.4	13.0	11.4
Imports	1.0	1.0	0.9	4.1	0.8	0.7	0.8	0.9	3.2	0.8	0.7	3.2
Total supply	63.6	62.3	60.4	207.2	59.9	63.0	62.5	61.7	208.8	61.7	64.5	212.4
Commercial exports	2.4	2.4	2.2	8.3	2.5	2.6	2.1	1.8	9.0	2.0	2.2	8.7
Ending commercial stocks	13.5	12.2	10.9	10.9	12.1	13.4	12.8	11.4	11.4	13.0	14.6	11.6
Net removals	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial use	47.8	47.7	47.3	187.8	45.3	47.1	47.6	48.4	188.4	46.6	47.7	192.2
Skim solids (bil. pounds milk equiv.)												
Milk marketings	49.6	47.8	47.3	191.8	48.2	50.2	48.3	48.0	194.6	49.4	50.8	197.8
Beginning commercial stocks	12.0	12.7	12.5	11.3	12.3	11.9	12.9	12.2	12.3	12.3	12.2	12.3
Imports	1.2	1.3	1.3	4.8	1.3	1.1	1.1	1.3	4.8	1.3	1.0	4.5
Total supply	62.7	61.7	61.0	208.0	61.7	63.2	62.3	61.5	211.7	63.1	64.0	214.7
Commercial exports	8.7	8.4	8.7	32.1	8.2	8.3	8.1	7.7	32.2	8.1	8.3	32.3
Ending commercial stocks	12.7	12.5	12.3	12.3	11.9	12.9	12.2	12.3	12.3	12.2	12.9	12.1
Net removals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Commercial use	41.3	40.9	40.0	164.0	41.6	42.0	42.0	41.5	167.2	42.7	42.9	170.2
Milk prices (dol./cwt) 1/												
All milk	15.07	16.80	17.70	16.29	18.73	20.13	22.05- 22.35	20.25- 20.85	20.30- 20.50	18.20- 19.10	17.20- 18.20	17.80- 18.80
Class III	13.31	15.06	15.40	14.41	16.63	17.50	20.95- 21.25	18.35- 18.95	18.40- 18.60	16.20- 17.10	15.35- 16.35	16.10- 17.10
Class IV	14.82	16.04	16.29	15.09	18.08	20.37	19.65- 20.05	18.20- 18.90	19.05- 19.35	16.70- 17.70	16.35- 17.45	16.45- 17.55
Product prices (dol./pound) 2/												
Cheddar cheese	1.419	1.587	1.614	1.523	1.701	1.751	2.090- 2.120	1.855- 1.915	1.855- 1.875	1.670- 1.760	1.595- 1.695	1.670- 1.770
Dry whey	0.366	0.362	0.373	0.372	0.425	0.499	0.525- 0.545	0.475- 0.505	0.480- 0.500	0.425- 0.455	0.405- 0.435	0.410- 0.440
Butter	1.551	1.915	1.955	1.702	1.990	2.052	1.995- 2.055	1.795- 1.885	1.955- 1.995	1.585- 1.705	1.615- 1.745	1.615- 1.745
Nonfat dry milk	1.212	1.174	1.183	1.169	1.375	1.610	1.545- 1.575	1.480- 1.530	1.500- 1.520	1.405- 1.475	1.355- 1.425	1.370- 1.440

1/ Simple averages of monthly prices. May not match reported annual averages.

2/ Simple averages of monthly prices calculated by the Agricultural Marketing Service for use in class price formulas. "Based on weekly "Dairy Product Prices", National Agricultural Statistics Service. Details may be found at http://www.ams.usda.gov/dyfmoms/mib/fedordprc_dscrp.htm

Source: World Agricultural Supply and Demand Estimates and supporting materials.

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